SOFT DRINKS □ BEER □ BOTTLED WATER □ WINE □ POWDERS □ JUICES □ SPIRITS

MARCH 1984

Beverage Industry

MARKETING □ DISTRIBUTION □ TECHNOLOGY

AN HBJ PUBLICATION

Free color TV for two-month display

Discounting costs industry $2.75 bil.

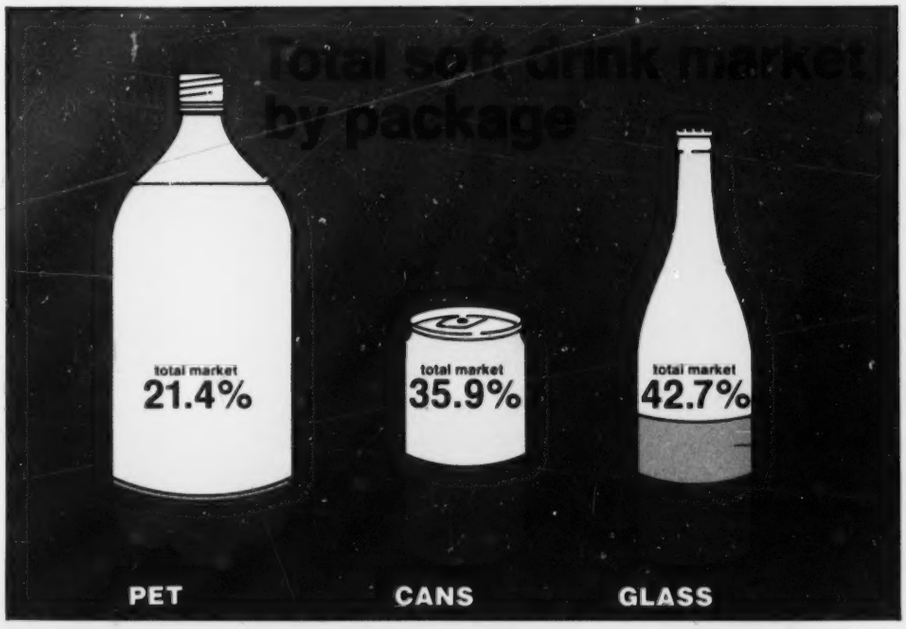
by Paul E. Mullins

SPECIAL REPORT—Discounting in the soft drink industry over the past two years may have cost the industry in excess of $2.75 billion in sales.

And that may just be the tip of the iceberg. It doesn't include the thousands of dollars spent on color TVs, teeshirts, free vacations and other freebees that have been given away to preserve end aisle displays, special positions, or for feature ads.

Until now, no one has attempted to put a price tag on discounting. During the years 1977 through 1982, the wholesale price of soft drinks increased an average of 9.25% per year. In 1982, they increased only 3% and are projected to jump only 3.2% in 1983.

(Continued on page 15)



Mead Packaging, Atlanta, introduces this innovative 2-L PET four-pack carrier that the company reports offers customer convenience and increased sales. See page 43.

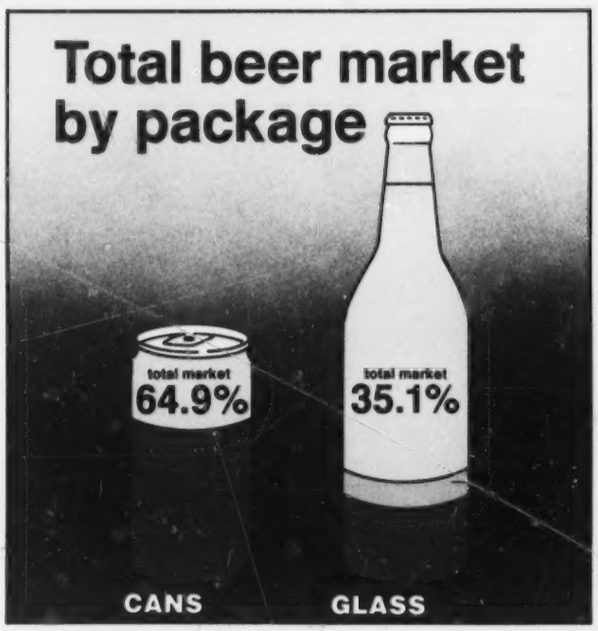
Primary containers show 3.2% gain for SD's in '83

by Gary A. Hemphill

SPECIAL REPORT—Reflecting projections that soft drink and beer volume showed increases in 1983, total packaged volume was up 3.2% for soft drinks and up .5% for beer.

According to just-announced figures from Prescott, Ball and Turben market analyst Arthur M. Stupay, cans were up 6.8% to 28 billion units and PET was up 9% to 16.6 billion for the soft drink industry. Glass container shipments were off 3.3% in NR to 11.5 billion and 1.8% in R to 21.7 billion. In beer, cans were up 4.7% to 33.2 billion and NR glass was down 6.3% at 14.9 billion while R glass dropped 6.2% to 3 billion.

(Continued on page 32)



BI Report

• New .5-L PET container is under development and could be tested by a major franchise firm within weeks. The container, a co-extrusion of PET inside and Acrylonitrile exterior reportedly doubles the shelf life of existing .5-L PET. The entire project has been kept very hush-hush by both developer and user. Also considered a deep secret is the type of closure to be used on the container.

• A&W continues to chart new ground in advertising. One of the firm's TV commercials for '84 features two lumberjacks in

(Continued on page 79)

Selling your business, Part I

First, get the business in order

by Ugo F. Ippolito, Ugo F. Ippolito, Incorporated

ATLANTA—Once the decision to sell has been made, the first order of business is to get the business ready to be sold.

Before charging ahead, if multiple owners are involved, make certain that the others are agreeable to a sale and are in agreement as to who has the authority to negotiate a sale price. Preferably the commitment should always be in writing.

You do not want to be marketing the company or negotiating a price and then discover that the other shareholders are not in accord with the arrangements you have made.

Businesses are sold on the basis of projected future profits and cash flow. Thus, the most significant documents in determining the

(Continued on page 24)

New BI series:

This series is written by Ugo F Ippolito, who has participated in over 15 purchases of bottling companies, including the NY Coke leveraged buyout. He was formerly an attorney and assistant secretary of The Coca-Cola Co. and general counsel and secretary of The Wine Spectrum.

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Beverage Industry
AN HBJ PUBLICATION

No reaction to TV segment

First Camera lays egg with container expose

by Paul E. Mullins

COMMENTARY—Maybe consumers are tired of the news media's constant attempts to create crisis out of nothingness, maybe they've also become more educated about what is and what is not a valid story about a valid concern.

Whatever, the February 5 NBC First Camera segment on exploding soft drink bottles and missiling containers evidently laid a big fat egg. Although virtually every franchise firm, NSDA, and several industry suppliers had planned to gird themselves for a massive number of phone calls following the telecast, that was obviously not the case.

The immediate results of the telecast appear to be:

- First Camera, the TV industry's lowest-rated program, may have upped its audience on a one-shot basis due to the increased number of soft drink and supplier executives who tuned in.
- George J. Green, Jr., a Houston-based engineer who specializes as a consultant in product liability suits, will probably receive more inquiries and more witness fees to testify in additional lawsuits.

Although none of the industry groups received telephone inquiries, NBC did.

(Continued on page 21)

Coke OK's 75% HFCS; Pepsi weighs options

ATLANTA—Coca-Cola USA has authorized new blends of up to 75% HFCS and sucrose for bottled and canned products. The move would substantially reduce ingredient costs for Coke.

Pepsi-Cola says it will have no immediate reaction. A spokesman for Pepsi told Beverage Industry that the firm was "still weighing its options and would not increase the 50% levels in its products until it was assured there would be no detrimental affect on the product's taste."

RC announced 75% ap-

(Continued on page 14)

Projected growth, 1982-1990, at producer's level (in million dollars)

Segment	1982	1983	1987	1990	Avg. Annual Growth %	Total Growth %
Sparkling & Still Mineral Waters	$116	$113	$ 88	$ 91	-2.9	-20.9
Club Soda/ Seltzer Water*	189	206	275	282	5.1	49.2
Total Soft Drink Waters	304	319	363	373	2.6	22.7
Bulk Bottled Water	445	499	776	959	10.1	115.5
Total Bottled Water	$749	$818	$1139	$1332	7.5	77.8

*at bottler level
Source: FIND/SVP estimates

Copyright: Beverage Industry March 1984

Study: bottled water sales to reach $1.7 billion by '90

NEW YORK—The U.S. bottled water market will almost double from approximately $944 million in retail sales to approximately $1.745 billion in 1990, according to a study from FIND/SVP, a market research firm located here.

Information for the study was obtained through field and telephone interviews of key industry personnel, producers, trade associations, and distributors. Secondary research includes a review of trade and consumer magazines, government sources, and published financial information of major market participants. In-depth interviews with high-level executives in the industry were conducted in order to obtain additional insight.

Meanwhile, a survey of retailers around the country was also carried out to assess purchasing patterns and pricing trends. Field research included canvassing distributors on the east and west coasts.

Analysts report that the industry underwent moderate growth during 1983 but is expected to grow at an annual eight percent clip through 1990.

The report breaks the water market down into two basic segments: soft drink waters and bulk waters. The report includes domestic and imported sparkling mineral waters, still mineral waters, sparkling waters, club soda and seltzer into its soft drink waters category. Spring water, filtered artesian well waters with added minerals, and purified municipal water are included in the bulk water segment.

The soft drink water segment is expected to have 22.7% growth rate by 1990 with sales reaching $373 million. This segment, according to the study, is projected to experience an annual growth rate of only 2.6%.

Perrier, with an estimated market share of 41%, contin-

(Continued on page 22)

Major winery intros four brands in O-I's new, large-capacity PET

SAN FRANCISCO—Guild Wineries and Distilleries, based here, has introduced four of its Vintner's Choice wines in Owens-Illinois' 3-L and 4-L PET bottles.

This makes it the first "major" U.S. wine producer to test consumer acceptance of wine packaged in large-capacity plastic packaging, according to Owens-Illinois, manufacturer of the bottle. Guild, which produces over a dozen California wines, chose four of its brands—Vintner's Choice Valley Chablis, Valley Burgundy, Valley Vin Rose and Rhine Wine—to test the packaging in 12 states. Success of these four brands may lead to additional conversions.

Success of these four brands in PET may lead to additional conversions of other Guild Wines.

The resealable Georgia-green bottles are stock containers manufactured of oriented PET by O-I's Plastic Products Div. plant in Fairfield, CA. The plant, located adjacent to Northern California's wine producing region, also offers emerald-green PET wine bottles.

The bottles are manufactured with PET from Eastman Chemicals and Goodyear.

They're recyclable and have Alcoa 38 mm roll-on finishes for easy-opening, pouring and resealing. The 3-L size weighs 102 grams (3.6 oz.), compared to 38 oz. for an equivalent glass container. The 4-L size weighs 129

(Continued on page 14)

Trend: no-frills packaging

Secondary packages going more generic

SPECIAL REPORT—While few new secondary packaging developments entered the market in 1983, industry suppliers have begun to fret over an economy move by bottlers toward more generic, inexpensive packaging.

Says one supplier, "70 to 80% of soft drinks sold today are based on price and we feel the effect in the packaging industry. There are a lot of accounting people running departments previously operated by marketing people." The result is a trend toward no-frills secondary packaging in the soft drink industry.

Suppliers agree it's not the same with beer. Brewers have always segmented their brands, often utilizing first class packaging with sharp graphics and innovative design for their premium and super-premium brands. They've also maintained their pricing levels.

Emphasis: advertising

The move to low cost secondary packaging is part of the day to day struggle to be low-cost producers. The use

(Continued on page 36)

Features

1 **How to sell your plant**
Ugo Ippolito, a renowned counselor in the industry, begins an important series on how bottlers can sell their plants to prospective buyers. Ippolito has handled more than 15 transactions in the beverage industry within the last seven years.

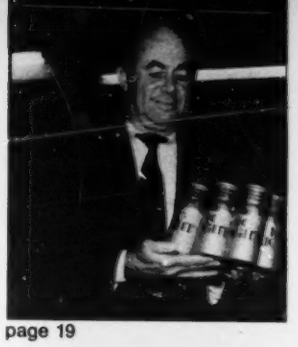
1 **Primary containers have small increase**
A top analyst tells **BI** that cans were up 6.8% while PET showed a 9% increase for the soft drink industry. Glass containers, meanwhile, experienced slight decreases in '83.

4 **Secondary packaging features no-frills**
Industry suppliers are worrying over an economic move by bottlers toward more generic and inexpensive packaging. The obvious result is no-frills secondary packaging is making more of a play in the industry.

19 **Brewer lauds Hi-Cone 12-pack**
Management officials of the Pittsburgh Brewing Company, the nation's 10th largest brewer, cite the unique qualities of the Hi-Cone 12-pack as a key ingredient in the firm's marketing strategy in the Western Pennsylvania region.

28 **What makes TriCoast tick?**
C. Malcolm Cooper, the president and chief executive officer, tells **BI** how his newly-formed company is doing and what markets his firm is concentrating on in its early years of existence.

52 **Distilled spirits dip to 1.6%**
As expected the distilled spirits industry dropped, reports John Maxwell, **BI**'s director of research statistics. The slide, however, was less than the dip in 1982's sales.



page 19

page 28

Departments

Reader Service 7
Plant Security 18
Trucks 34
NOW Package 43
New Literature 59
New Products 60
Beverage Indicators 63
Newsmakers 67
Supply House 69
Classified 73
Ad Index 78
Editorial 80

Soundoff

Beware of hemorrhoids in Mongolian lizards

"... there isn't much else to remove from a soft drink. In the case of seltzer, we are already down to highly purified water and carbonation. Actually some consideration has already been given to reducing the level of carbonation in some soft drinks to produce a different mouth feel and taste—so there may be such products in the future.

Then too, perhaps I shouldn't be so unconcerned about carbon dioxide. Even though you and I continually exhale CO_2, who's to say that some university researcher won't associate CO_2 with hemorrhoids in Mongolian lizards with the resulting activist demand for a ban. In that case, we could go all the way to the ultimate and produce distilled water. But that would suffice only until someone pointed out that water contains hydrogen, a very dangerous gas."

Dr. Howard Roberts
NSDA vp—science & technology
at the IFT annual conference.

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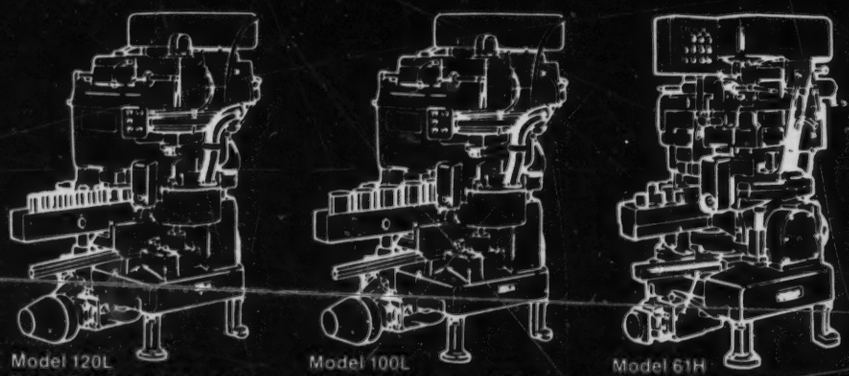

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Circle No. 101 on Reader Service Card

Speed, simplicity top priority for coders/imprinters/labelers

EXCLUSIVE—Based upon a study of major suppliers to the beverage industry of labelers/coders/imprinters, the following purchasing trends are being experienced by the industry:

- Coders/Imprinters: Machinery that matches a beverage producer's line speed is a requirement that many customers are demanding from manufacturers;
- Labelers: There appears to be an increase in sales of pressure-sensitive equipment because of the increased demand of PET by bottlers.

This trend report, the third of 12 which **Beverage Industry** will publish this year on major categories of equipment purchases, is compiled from personal interviews and survey forms from every major supplier in the category. In the past, **Beverage Industry** had surveyed users to determine their requirements. This year, however, top sales executives for the major firms were questioned to report upon their observations and perceptions.

Based upon the tabulated returns, 80% of the respondents stated that lack of flexibility is "somewhat of a problem" for coders/imprinters. Another 40% of the surveyed executives, meanwhile, replied that downtime created "somewhat of a problem" for their customers.

Interestingly enough, 20% of all respondents stated that insufficient speed; lack of flexibility; clean up; downtime; and cost were "major problems" for their customers. But for 40% of the answering executives, machinery cost and insufficient speed were two factors that were "no problem at all" for their clients, indicating that many company executives are considering modernizing their plants no matter what the cost.

Clean-up

A small factor regarding the purchase of coders/imprinters was "clean up"; 60% of the respondents stated that clean up was "not much of a problem" for them. But apparently it was considered an important enough facet of such units for a majority of companies to contemplate.

Meanwhile, another 40% of the respondents believe that their checkbooks will be opening up quicker than in the past; cost was considered "not much of a problem" for them this fiscal year. Under the same category, another 40% believe that down time will not be a big factor in purchasing coders/imprinters, giving some credence in the belief that many manufacturers are making headway in quality control.

Machine specs

Nearly every manufacturer reported that their customers are searching for coders/imprinters that possess speeds equal to line speeds.

But one respondent, Robert L. Heaney, national sales manager for Dennison Packaging Systems of Cedar Grove, NJ, unequivocally stated that his firm's customers are looking for coders/imprinters that have faster speeds than their current line speeds. Heaney also reported that beverage producers are requiring coder/imprinter operating speed ranges from 800-cpm to 1500-cpm for cans; 400 to 900-bpm for bottles; and 30 to 75-cpm for cases.

Dennison Packaging Systems is offering the new "Accuprint" for large character printing. According to Heaney, the system has no pressure pumps and features variable dot sizes. "This printer," says a company spokesman, "allows customers to produce quality codes on many types of absorbent surfaces, even irregular and soft surfaces."

Meanwhile, company officials feel that the trend for labeling equipment is being geared toward generic soft drink and beer bottles. Officials also believe that approximately 31%-40% of soft drink bottlers and between 10%-20% of brewers have two or more labeling units on line.

Advances

As far as labeling machine advances are concerned, the trends remain accurate: speed, simplicity and durability.

Charles E. Simpson, Jr., vp for American Production Machine Co. of Union City, NJ, is convinced that beverage producers are looking for coders/imprinters with speeds equal to line speeds.

A unique characteristic of the firm's new three-, four- and six-lane units is its complete multi-color system from one source.

Although deposit laws are on the books of several states, company officials believe that such statutes have actually increased the demand for labeling equipment. And like officials from Dennison Packaging Systems, spokesmen feel that labeling equipment for cans possess a

"marginal potential." The company, meantime, offers customers a mini-line (capable of 500 cans per minute) that features interchangeable print sections for reduced downtime.

Officials of the Bell-Mark Corporation of East Orange, NJ, are finding that their customers are requiring coders/imprinters that match the speeds of their line equipment. But beverage producers are not demanding that coder/imprinter speed ranges be extremely high. Company executives report that their customers need can line speeds from 100- to 300-per-minute; 100-bpm to 300-bpm for bottles; and only 25 to 70 per minute for cases.

How suppliers rate significance of problems beverage producers encounter with coders/imprinters

Problems	Major problem	Somewhat of a problem	Not much of a problem	No problem at all
Insufficient Speed	20%	20%	20%	40%
Lack of Flexibility	20%	80%	–	–
Clean Up	20%	20%	60%	–
Down Time	20%	40%	40%	–
Cost	20%	–	40%	40%

Source: Statistical Research Center (SRCH of HBJ Publications)

Copyright: Beverage Industry, March 1984

The company's new coder/imprinter, 1505 Case Coder, offers a patented cartridge ink system. The unit, says representatives, was designed to use in conjunction with any manual, semi-automatic or automatic carton filling, sealing or conveying equipment.

The firm's new labeling machinery, US-4001, also features a patented cartridge ink system. Officials, meanwhile, note that their beverage customers are looking for labeling units that offer faster labeling speeds than beverage filler speeds.

Executives perceive that 41%-50% of soft drink producers and 51%-60% of brewers, respectively, have two or more labeling machines on line. Beverage producers, state officials, are looking for more cost-effective high-speed printing and labeling systems.

Unlike officials from American Production Machine Co., Bell-Mark executives feel that state deposit laws have not affected demand for labeling equipment while believing that can labeling units have "moderate potential" for the industry.

Labelers

Executives of Jagenberg Inc. of Enfield, CT, report that their customers are looking at labelers for both generic soft drink and beer bottles. Although believing that various deposit laws have "increased demand" for labelers, officials maintain that their customers are requiring machinery with faster labeling speeds than filler speeds.

Executives report that they feel 51%-60% of soft drink makers and 91%-100% of brewers have two or more labeling units on line. The company, meanwhile, is marketing the new "Solar" labeling unit that features true rotary motion on all machine components.

Although responding that can labeling units possess only "marginal potential" for the beverage industry, executives emphasize that customers require versatility, ease of maintenance and higher speeds in labeling machinery.

Meanwhile, officials of the Labeljet Div. of the Willett Technology Corp. of Fort Worth, TX, claim that their new "Gemini" labeler features "zero" downtime and extraordinarily high speeds of 2,000 labels per minute.

While stating that customers require high accuracy, speed and reliability, clients are also looking for faster labeling speeds than filler speeds.

Company representatives take the view that deposit laws have increased the demand of labeling equipment while believing that the trend of many labelers is for generic soft drink bottles.

Pirzer Inc. officials of New Berlin, WI, say that their new labeler—"Alpha"—is "simpler to upkeep and to work with at higher speeds." Claiming that customers are searching for advanced technology, higher speeds but simpler units, company executives emphasize that they feel their clients require labeler speeds that are faster than filler speeds. Officials also feel that less than 10% of soft drink producers and between 61% and 70% of brewers have more than two labeling units on line.

Meanwhile, deposit legislation is perceived to be increasing the demand for labelers, report officials.

(Continued on page 79)

Only nature has had more experience with citric acid than Pfizer

Making the complex look simple is an art. Here, you see the art of a master engraver who has worked for months with the purest crystal.

His efforts delight the eye. Yet his subject, the orange and the stages in its growth, is greater than he. Oranges are one of nature's own masterpieces, evolved over countless eons. They create and protect, in lovely and fragrant form, that complex compound called Citric Acid.

Exactly how nature produces Citric Acid was long a mystery; the chemistry was too subtle, too sophisticated. But Pfizer was determined to solve that mystery, and set out to find ways to produce bountiful new supplies of Citric Acid through the natural process of fermentation chemistry.

It took us almost a generation of work, but it was done and done well. Today, Pfizer produces more Citric Acid than anyone in the world. Far more. And we have been working on Citric Acid longer than anyone else. With the sole exception of our teacher, Mother Nature herself. Pfizer commissioned this exquisite crystal piece in appreciation of the models she gave us.

Pfizer
CHEMICAL DIVISION

Study: bottled water sales to reach $1.7 billion by '90

(Continued from page 4)

ues to lead the soft drink water category. Although withdrawing itself from the advertising scene in recent years, Perrier will begin to substantially promote to reinforce sales, says the report.

The study continues by stating that it is apparent that there will be "fewer major participants" in the segment in upcoming years, saying that currently there are only five brands that exceed sales of $5 million annually.

The report identified seltzer as a "race horse" in the club soda and seltzer segment. Seltzer's popularity has soared in the past few years because it does not contain salt. It is estimated, says the study, that 80% of seltzer is consumed straight, as an alternative to other beverages. Market analysts project that by 1986, seltzer will be the leader of the soft drink water segment, replacing club soda.

Club soda and seltzer water category size 1979-1982 at Bottler's Level (in million dollars)

Year	$Size	%Growth	$Club soda	$Seltzer
1979	140.00	16.7	120.00	20.00
1980	158.00	12.9	124.00	34.00
1981	173.00	9.5	123.00	50.00
1982	189.00	9.3	121.00	68.00

Source: FIND/SVP Estimates

Copyright: Beverage Industry March 1984

Analysts predict that seltzer will continue to grow to as much as 70% of segment sales by next year. The study reveals that this segment has prevailing annual sales of $206 million. But by 1990 this segment is expected to have sales total $373 million, an annual growth rate of 5.1%. The club soda/seltzer water category, however, is expected to experience total growth of 49.2% through 1990.

Club soda has provided a real boost to the growth of the entire market, says the report. The reason? Large advertising budgets have accomplished moving consumers from all other categories, especially the sparkling, imported segment. The study estimates that 80% of club soda is consumed as a mixer.

Indicating consumer health-consciousness, the report reveals that the bulk bottled water segment is undergoing solid growth. The market is expected to experience an annual growth rate of 10.1% through 1990, with a total projected growth rate of 115.5%, says the report.

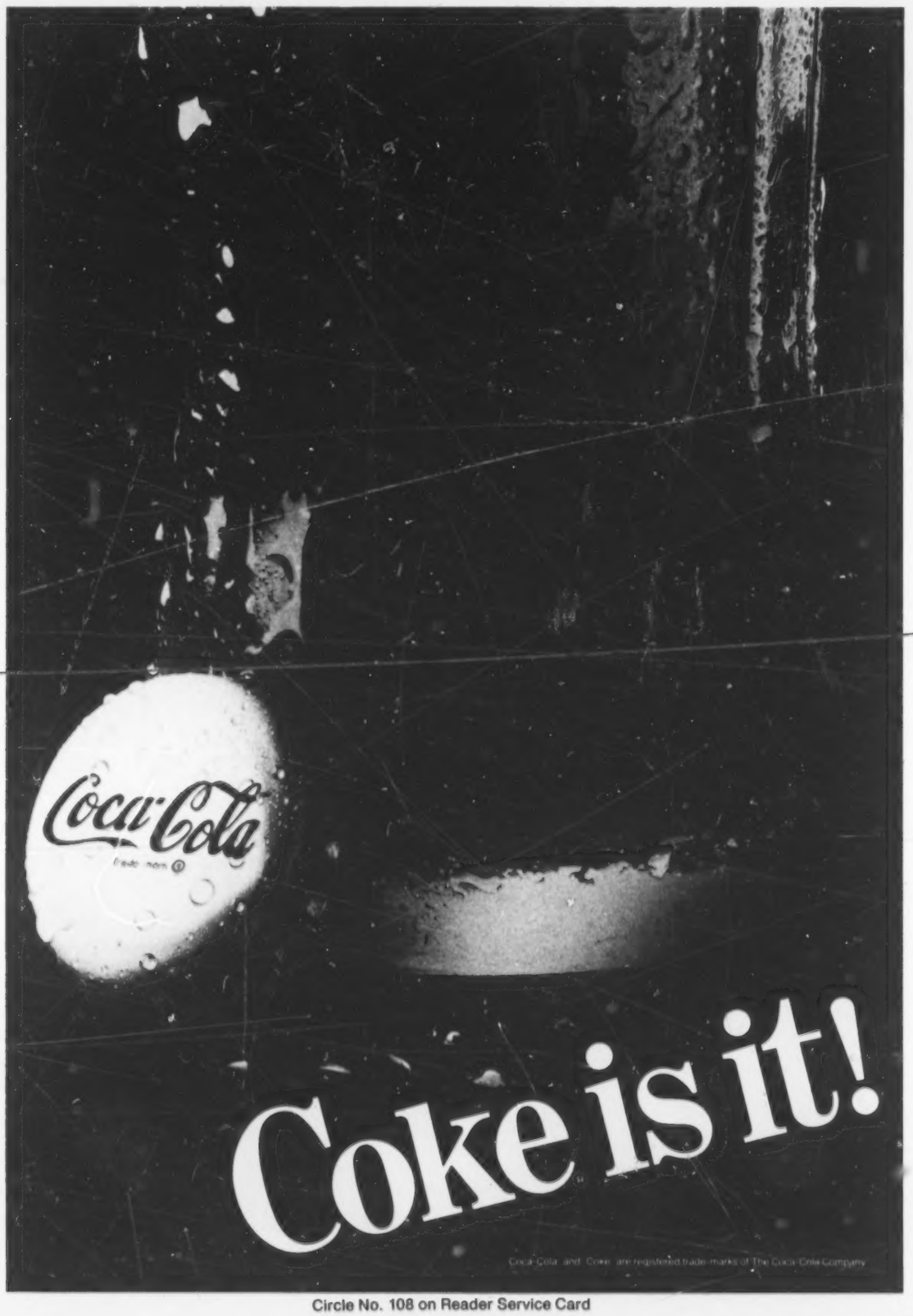
Impressive dollars

These figures translate into impressive dollar amounts also. The report states that by 1987 bulk bottled water producers will have $776 million in annual sales; and by 1990, $959 million in sales. Meanwhile, this segment's producers have reported increases of 15% to 30% per year over the last three years, according to the study. The report anticipates that retail food market sales will continue to contribute to the rapid growth of bulk water. The report acknowledges the fact that route deliveries are experiencing an annual growth rate of 10% to 12% and projects that the residential and commercial sectors will provide the majority of growth.

The final category described in the study, sparkling and still mineral waters, is expected to experience the worst sales trends in the bottled water market. The report projects that by 1990 annual sales will be only $91 million, down from $115 million in 1982. This sales trend, according to the study, translates into a total growth of minus 20.9%.

The study says that this category "matured" during 1981 and sales slid as the heavy user began buying club soda, seltzer and other heavily-promoted brands.

Copies of the study can be ordered by writing: FIND/SVP, Information Products Department, 500 Fifth Avenue, New York City, NY 10110. □



Circle No. 108 on Reader Service Card

Primary containers show 3.2% gain for SD's in '83

(Continued from page 1)

Stupay analyzes the beverage packaging industry in 1983 this way. "Metal cans have recorded better than expected gains, especially in the summer months, helped by favorable weather. The weakness in glass containers, especially in beer and soft drinks, can be traced to the inroads of aluminum cans in mandatory deposit states, due to their favorable recycling economics."

Beer sales by package
(Units: Billions equivalent 12 oz.)

	1982	1983E	1984P
Total beer demand	60.3	61.0	62.0
% packaged	84.2	83.7	83.7
Packaged beer	50.8	51.1	51.9
Cans	31.7	33.2	34.5
% cans	62.4	64.9	66.5
One-way glass	15.9	14.9	14.5
% one-way	31.3	29.2	27.9
Returnable glass	3.2	3.0	2.9
% returnable	6.3	5.9	5.6

Source: Arthur M. Stupay Prescott, Ball and Turben

Copyright: Beverage Industry March 1984

PET gains

He adds: "PET . . . mainly in the 2-L size, continues to gain market share in soft drinks, reducing the market for glass. Plastic containers are growing in the .5-L sizes as well, and volume is probably twice the level reached a year ago."

H. Edward Schollmeyer, analyst with Paine Webber Mitchell Hutchins, Inc., anticipates a glass turnaround with profits up in 1984, however. "As the economy recovers, more premium beers are consumed and many of them are packaged in glass. It's as simple as that."

He adds that glass will be in very tight supply because of capacity reduction, particularly with companies that have gone private through leverage buyouts and are now rebuilding. Because of this, there will be more demand on publicly owned companies.

Stupay, however, is not quite as optimistic about glass. "The jury is still out on glass. There will be further capacity reductions, and maybe a flattening of demand in '84 instead of a decline."

Bruce Oman, director of marketing progams for the Glass Packaging Institute, reports single-service, prelabeled glass had an exceptional year.

"Everybody looks at us and says glass just keeps going down, but that's just not true," Oman says. He reports 10-oz. and 16-oz. pre-labeled glass jumped 10.5% in '83, and commands a 21% share of the vending market and 20% share of the convenience store market.

Oman says it's no secret glass is down in supermarkets, but he adds cold bottle markets are doing phenomenal. A lot of this success, he contends, is tied to the Glass Vending Assn.'s programs. He adds many aren't aware of its success in this market because few parent companies and analysts breakdown the market by size categories anymore.

Most analysts are expecting this trend to continue through 1984, although some consider a resurgence from glass a strong possibility since most glass companies have shut down excess capacity. As a result, profit drains from this capacity have been eliminated and the remaining manufacturers should be in a better position to promote and price their packages.

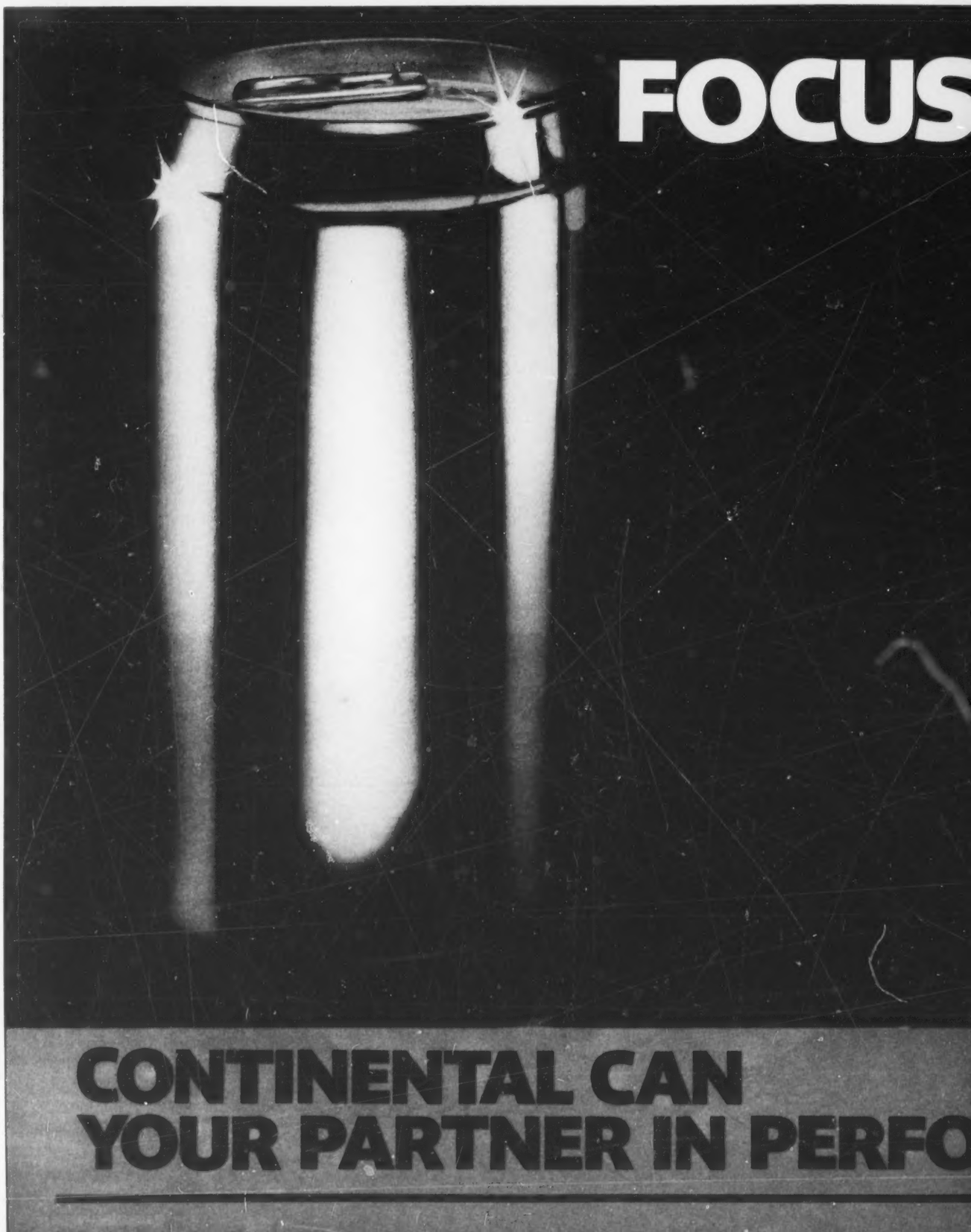
Strong year

But, overall, the strong performance by the soft drink industry in 1983 made it a good year for primary packaging. A Continental Can Co. official estimates that packaged share of total soft drink gallonage at 77%, translating into 76 billion 12-oz. units or a 4% increase over 1983.

In the nine mandatory deposit states in 1983, glass containers were being displaced by PET and cans for several reasons. Glass is prone to breakage, while PET and cans are not, and aluminum's recyclability made cans even more desirable.

In fact, Stupay reports that without mandatory deposit states recycling aluminum cans may not even be a feasible practice. "Recycling needs volume. Without mandatory deposits, it isn't practical," says Stupay.

In addition, bottlers found cans useful for new product



introductions because of their ability to get into all distribution channels—vending, on-premise, supermarkets and other retail outlets.

Overall, glass reviews for '83 were mixed, but analysts agree PET had a strong year. It was a popular package for soft drinks, but it made inroads in other markets. Test market evaluation of its use with wine and liquor has been ongoing and consumer acceptance has been good. "Plastics, particularly in larger sizes, will increase in these industries," Stupay says.

California wineries are running market tests now on Sewell Plastics' 4-L PET and John Budde, Sewell marketing director, anticipates successful test marketing. "We're in a position to produce quantities of 3-L and 4-L PET now," he says, adding "I think it's going to go a little slow in '84, but it will eventually take off."

Sewell, based in Atlanta, is also producing a 1.75-L liquor bottle for McCormick, and Budde says other distillers are also expected to go with the 1.75-L PET package this quarter. Others are also producing PET liquor bottles. Sources report Plastipak Packaging has begun production on a 1.75-L bottle for Glenmore Distillers.

Wheaton Plastics, located in Mays Landing, NJ, began production last November of 50-ml PET miniatures for Jim Beam bourbon. Wallis Hoyle, Wheaton product development manager, estimates the miniature market at 225 million units, nearly half of which goes to airlines. Hoyle reports a 40% weight reduction in the PET bottle over glass after filling. He expects 25% of that potential market in PET by the end of this year, and 80% by the end of '85.

In Port Clinton, OH, Aim Packaging is utilizing Kodapak PET clear amber pellets to manufacture 25.4-oz. "Traveler" flasks for National Distillers Products Co. After manufacturing, the flasks are shipped to National's Frankfort, KY, filling plant to be used for Windsor Canadian, Old Crow Bourbon and Vat 69 Gold Scotch. Sources report consumer acceptance has been good.

Soft drink sales by package
(Units: Billions equivalent 12 oz.)

	1982	1983 E	1984 P
Total SD demand	97.5	101.0	105.0
% packaged	77.3	77.0	76.8
Packaged soft drinks	75.4	77.8	80.6
Cans	26.2	28.0	29.5
% cans	34.7	35.9	36.6
One-way glass	11.9	11.5	11.6
% one-way	15.7	14.8	14.4
Plastics	15.2	16.6	18.5
% plastic	20.3	21.4	23.0
Returnable glass	22.1	21.7	21.0
% returnable	29.3	27.9	26.0

Source: Arthur M. Stupay
Prescott, Ball and Turben

Copyright: Beverage Industry
March 1984

ON THE FUTURE:
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Half-liter grows

While the bulk of PET in the soft drink market comes in the 2-L size (93.3% in 1982, according to the NSDA), acceptance has grown for the .5-L market, Stupay reports. He estimates 250-300 million were in the market in 1982; 500-600 million in '83. "It may reach a billion this year," he says.

Problems with the .5-L have been numerous. Shelf-life, cost and production capabilities have all slowed its development. Sources report there are 15 machines in the market capable of producing a billion containers a year, and Stupay reports this may be the year the bugs are finally eliminated from production.

In addition, PET specialist Len Ryder says shelf life is no longer considered as important as it once was. "A year ago shelf life in the .5-L was a very emotional subject. You don't hear bottlers talking about it much anymore. Price is a more important issue," says Ryder.

He explains: "Single service containers like the .5-L turn over fast. If you don't move carbonated beverages in less than six weeks, you're not in the business anymore." But while shelf life for the .5-L may no longer be a primary concern to bottlers, other analysts contend it's still important.

Shelf life of the .5-L is now about eight to ten weeks, but a new system developed by Nordson Corp., Container Application Group, in Amherst, OH, reportedly increases the shelf life of plastic containers.

Extending shelf life

The Barrier-Gard System is a process that allows for coating the exteriors of PET containers with an invisible glaze of PVDC to increase barrier properties.

(Continued on page 36)

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Primary containers show 3.2% gain for SD's in '83

(Continued from page 33)

Nordson reports tests on 23-gram, .5-L PET containers show an increased shelf life to 22 weeks. The system sprays bottles anywhere from 30 to 300 containers per minute with uniform coverage of up to 100% of the exposed surface, utilizing the Nordson Impact Spray Coater. It accommodates containers up to six inches in diameter and 14 inches in length and can be modified to handle smaller or larger sizes.

Other suppliers are still studying co-extrusions, coatings and heat-setting as a means of lengthening shelf-life and improving the quality of the PET container.

Aluminum continues to hold the lion's share of the can market over steel with 99% of all beer cans and 84% of all soft drink cans.

PET co-extrusions

Prentice McKibben, market analyst with Eastman Chemicals, says they are working with a co-extrusion of PET and EVOH, but adds multiple projects are ongoing at Eastman. "I couldn't tell you when we will have a co-extruded PET bottle in the market," he says.

The shelf life problem is a little different with beer, he says. "We're more worried about oxygen penetration than carbonation loss. Beer will be more difficult than soft drinks to put in single service size PET." Despite that, he doesn't doubt the prediction that one major national brewer will have a large PET container within 1984.

While new developments continue to improve PET as a soft drink package, it was cans that led all other packaging in both unit volume increase and share gains in '83 over '82, according to Glenn A. Paulson, general manager-sales/marketing for Beverage Operations of Continental Can Co.

"There are a number of reasons for the continued growth in can shipments. In soft drinks parent companies and franchise bottlers are giving cans promotional support in food stores. The Booz, Allen and Hamilton study—analyzing filling and distribution costs, promotion and pricing levels—revealed cans to be the most profitable soft drink package.

"Another major positive factor is the heavy can use for diet soft drinks and the light beer segment . . . As these products which rely heavily on can packaging grow faster than other products, can share of total packaged increases," Paulson says.

Aluminum continues to hold the lion's share of the can market over steel with 99% of all beer cans and 84% of all soft drink cans. Recycling is a big factor in its success. Paulson reports in '83 more than 55% of all aluminum beverage cans shipped were recycled.

New innovations

Several new innovations kept cans competitive in the market, such as the necked-in technology, responsible for a whole new generation of cans. Reynolds Q/Light can is 16-lbs. per thousand lighter than the first 12-oz. can it introduced 20 years ago, the company reports. It's necked in four times to reduce the weight and end diameter.

Stupay foresees a proliferation of packaging developments in '84. Analysts agree that there were few innovations that influenced the industry in '83. Stupay blames the economy. Nobody wanted to go out on the limb with new packaging last year, he says, because of the recession. He believes a recovered economy should change that in '84.

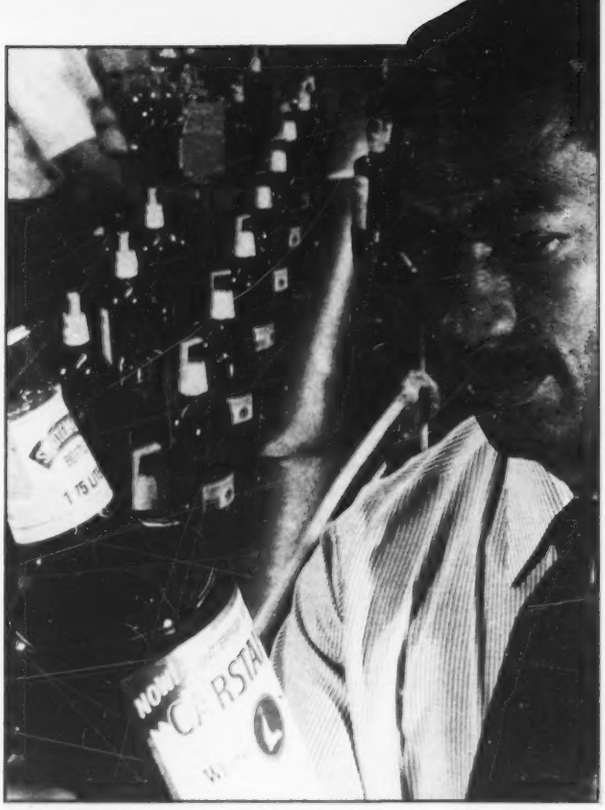
Aseptic inroads

If any one key development stands out, it was the proliferation of aseptic products on the market. However, Stupay believes aseptic packages are still at least five years away from full acceptance and their effect in 1983 on cans, PET and glass was minimal.

John C. Maxwell, BI's director of research/statistics, reports aseptic packaging could adversely influence domestic carbonated beverage volume over the next few years.

"There is some feeling that the industry could lower juice prices by 50% at retail with this container. The convenience and ease of opening and usage make the paper bottle a very competitive vehicle. Note also that it does not fall under the various state bottling bills with their required deposits, and has ease of disposal." And if that's the case, it would have a negative impact on cans, PET and glass.

Maxwell adds: "Some companies believe that they could put carbonated orange drinks into current aseptic packaging, since the carbonation of orange is low. They believe that within the next three to five years, development of the paper bottle could reach a point where carbonated beverages and beer could both be adequately contained therein." □



Walter Thornton, manager of Seagram's Dundalk, MD, plant, inspects an Amoco-made 1.75-L bottle, composed of Goodyear PET resin. The bottle is now in test markets on the East Coast.

Trend: no-frills packaging

Pricing, low-cost production influence industry's secondary packaging suppliers

(Continued from page 4)

of generic wraps and baskets means fewer line changes and inventory reductions.

Because generic packages can be produced cheaper, there are also small savings in packaging costs. The pennies saved can be translated into dollars which directly fund the price-off battle chest or prop up lagging profits.

Graphics changes

Bill Wright, general manager, C.W. Zumbiel Co., concurs. He says the unprinted plastic carton pack has supplanted quality packaging with creative graphics. "I think it's a very bad way to go. It doesn't carry any sort of product message because it's not printed.

He adds: "Product loyalty is disappearing because consumers buy what is on discount each week in many cities around the country. People never pay full price." That could change though, Wright says, if bottlers used better packaging with bolder graphics. "A bolder package will help maintain product loyalty," he says, despite discounting.

Packaged soft drink gallonage

	Loose	Paperboard	Plastic
Cans	10%	11%	79%
PET	99%	1%	–
NR glass	10%	90%	–
R glass	10%	45%	45%

Copyright: Beverage Industry March 1984

Packaged beer barrelage

	Corrugated	Paperboard	Plastic
Cans	7%	37%	56%
NR glass	13%	87%	–
R glass	89%	11%	–

Copyright: Beverage Industry March 1984

Certainly, 1983 was not an exciting year for new secondary developments. While sources contend it's still too early to tell how successful it will be, shrink film appears to be intent on grabbing a bigger share of the secondary packaging market. Armed with some impressive cost-saving stats, the new marketers feel they'll find a more receptive audience in both the beer and soft drink industries.

In addition, the proliferation of aseptic products brought paperboard aseptic multi-packs into the market from several manufacturers. And 12-packs were credited with much of the success of cans in 1983.

"This is nothing new in beer," says Wright. "Roughly 40% of all can beer sales come in the 12-pack. In soft drinks, it's probably closer to five or six percent. The growth of the 12-pack in soft drinks will certainly play a role in putting more product in the home," he adds.

Bottlers have found shrink film an expensive investment, up to six times the cost of traditional packaging initially. But in the long run, the shrink film material is cheaper and pays for itself for the bottlers who can afford to make the initial investment.

Many suppliers feel mandatory deposits will play an increasing role in secondary packaging with an increase in the use of paperboard. "We feel there is a certain potential for growth in paperboard in deposit legislation states at the expense of packaging that is destroyed when you get to the product," says one supplier, who contends consumers will want to use it to bring glass packages back to the store. □

Distilled spirits down 1.6% in '83

SPECIAL REPORT—Once again, as expected, the distilled spirits industry slid downward in 1983 with roughly a 1.6% volume decline, compared to the 3.2% decline of 1982, according to John C. Maxwell, **Beverage Industry's** director of research/statistics.

Only liqueurs/cordials, rum, brandy, tequila, American-bottled Canadian and some specialty items enjoyed success in '83. Domestic whiskey declined 5.3% and imported whiskey was off 1.3%, with an overall 3.2% drop. Non-whiskey distilled spirits were down .2%.

"If the economy continues at its current pace, we expect domestic sales to eventually flatten," reports Maxwell. "Our current 1984 outlook is for a continued overall decline in domestic liquor sales, particularly in the brown packaged goods group, although at a lesser rate than in 1983."

Maxwell points to the following three factors as having an adverse effect on sales in 1983:

- High excise taxes at the state level;
- Laws that raised the drinking age in some states;
- Lag factor of the industry, which has prevented it turning around as fast as other areas of the economy.

In addition, Maxwell notes four other factors that will be of concern to the industry in years to come:

- Potential for more tax increases. A federal tax increase is a possibility and at least five more states have proposed tax increases for years to come;
- Continued lobbying of various consumer groups attempting to establish a national law that would make the drinking age 21, plus other activities by groups such as MADD (Mothers Against Drunk Driving);
- Labeling and advertising restrictions;
- And, increasing health consciousness and concern adverse affect on sales.

Maxwell emphasizes the health-consciousness of American consumers as one of the prime problems for the industry now and in the future. He sees consumers shifting to lighter drinks such as white liquors mixed with fruit juices, or even entirely away from alcohol.

There was some shifting of the top selling brands in '83 compared to '82. While Bacardi retained its top position, its sales were off 1.6%. Smirnoff and Seven Crown remained two and three, but then there are changes. Jim Beam moved from sixth to fourth; Canadian Mist moved from seventh to fifth. Both Jack Daniels and Seagram's V.O. dropped two notches.

Maxwell concludes outlook for the industry is uncertain. "At best, we believe growth will be relatively flat for the near future," he adds. □

Top selling brands

Rank 1982	Rank 1983	Brand	Company	9-Liter Cases (000) 1982	1983	Change
1	1	Bacardi	Bacardi	8,461	8,327	(1.6)%
2	2	Smirnoff	Heublein (RJR)	7,267	7,262	–
3	3	7 Crown	Seagram	5,900	5,500	(6.8)
6	4	Jim Beam	James Beam (AB)	3,840	3,940	2.6
7	5	Canadian Mist	Brown-Forman	3,673	3,876	5.5
4	6	Jack Daniel's	Brown-Forman	3,894	3,725	(4.3)
5	7	V.O.	Seagram	3,865	3,550	(8.2)
8	8	Windsor Supreme	National	3,515	3,505	(0.3)
9	9	Canadian Club	Walker (GWL)	3,440	3,371	(2.0)
10	10	Seagram's Gin	Seagram	3,184	3,200	0.5
11	11	Popov	Heublein (RJR)	3,077	3,163	2.8
13	12	Gordon's Gin	Gordon/Renfield	2,836	2,598	(8.4)
16	13	Kamchatka	National	2,322	2,350	1.2
14	14	Gilbey's Gin	National	2,598	2,340	(9.9)
15	15	J&B Rare	Paddington (GM)	2,450	2,271	(7.3)
17	16	Dewar's	Schenley (RA)	2,300	2,230	(3.0)
18	17	Gordon's Vodka	Gordon/Renfield	2,073	2,100	1.3
12	18	Black Velvet	Heublein (RJR)	1,979	2,000	1.1
20	19	Gilbey's Vodka	National	1,928	1,889	(2.0)
19	20	Early Times	Brown-Forman	1,951	1,868	(4.3)
21	21	Beefeater	Kobrand	1,768	1,856	5.0
24	22	Kahlua	Walker (GWL)	1,600	1,630	1.9
22	23	Christian Brothers	Fromm & Sichel	1,725	1,620	(6.1)
25	24	Ancient Age	Ancient Age	1,531	1,607	5.0
23	25	Cutty Sark	Buckingham	1,618	1,562	(3.5)
26	26	Johnnie Walker Red	Somerset (E)	1,506	1,490	(1.1)
28	27	Ten High	Walker (GWL)	1,472	1,479	4.8
27	28	Kessler	Calvert (S)	1,501	1,380	(8.1)
29	29	Old Crow	National	1,391	1,340	(3.7)
30	30	Calvert Extra	Calvert (S)	1,300	1,260	(3.1)
32	31	Old Grand-Dad	National	1,250	1,213	(3.0)
31	32	Southern Comfort	Brown-Forman	1,289	1,204	(6.6)
34	33	Tanqueray	Somerset (E)	1,110	1,188	7.0
35	34	Crown Royal	Seagram (S)	1,100	1,150	4.5
33	35	Wolfschmidt	Seagram	1,135	1,140	0.4
36	36	Jose Cuervo	Heublein (RJR)	874	1,005	15.0%

Key to parent corporations:
(AB) American Brands; (E) Esmark; (G) Glenmore; (GM) Grand Metropolitan; (GWL) Gooderham & Worts; (RA) Rapid-American; (RJR) R.J. Reynolds; (S) Seagram

Source: Lehman Brothers Kuhn Loeb Research

Copyright: John C. Maxwell and Beverage Industry March 1984

Consumption by class and type

(million mixed cases)

	1982	1983	Change
Bond	0.73	0.64	(12.3)%
Straight	21.02	20.07	(4.5)
Total Bourbon	21.75	20.71	(4.8)
Blended	13.20	12.40	(6.1)
100% Light	0.19	0.17	(10.5)
Total Domestic Whiskey	**35.14**	**33.28**	**(5.3)**
U.S.–Bottled Canadian	13.10	13.50	3.1
Foreign–Bottled Canadian	7.63	7.40	(3.0)
Total Canadian	20.73	20.90	0.8
U.S.–Bottled Scotch	7.90	7.65	(3.2)
Foreign–Bottled Scotch	10.95	10.50	(4.1)
Total Scotch	18.85	18.15	(3.7)
Irish	0.29	0.29	–
Total Imported Whiskey	**39.87**	**39.35**	**(1.3)**
Total All Whiskey	**75.01**	**72.63**	**(3.2)**
Vodka	30.75	30.45	(1.0)
Gin	14.89	14.60	(1.9)
Liqueurs/Cordials	13.97	14.20	1.6
Rum	12.09	12.20	0.9
Brandy	6.59	6.75	2.4
Tequila	2.83	2.90	2.5
Prepared Cocktails	3.02	2.85	(5.6)
Total Nonwhiskey	**84.14**	**83.95**	**(0.2)**
Grand Total Distilled Spirits	**159.15**	**156.58**	**(1.6)%**

Source: Lehman Brothers Kuhn Loeb Research

Copyright: John C. Maxwell and Beverage Industry March 1984

Working women subject of alcohol study

WASHINGTON, DC—The neglected subject of drinking among working women has now been addressed in a brochure funded by the Licensed Beverage Information Council (LBIC).

The council, an industry consortium of beer, wine and liquor producers, importers, distributors and retailers has sponsored several programs since 1979 to educate the public about drinking during pregnancy, drunk driving, and alcoholism as a treatable disease.

Its grant to the Alcohol and Drug Problems Association of North America (ADPA) has resulted in "Some Thoughts About Drinking: For Women in the Workplace." The brochure details the stresses and conflicts working women encounter which may contribute to drinking problems, ways they try to conceal their problem and treatment sources.

"Traditionally, women were not considered alcoholic, either because they were hesitant to come forth for treatment, or were protected by friends and employers," said Susan Galbraith, co-chairman of ADPA's North American Women's Commission which developed the brochure.

"But our awareness of alcohol problems among women in society is greater now," she added. "We've always had as many women with alcohol problems and alcoholism. But it's more apparent today."

Treatment providers, who have helped break down attitudinal barriers among men are seeking to do the same with women. Currently, there are tools in the workplace to help women who drink, such as employee assistance programs (EAPs) but they have had difficulty attracting women, Galbraith explained.

But hopefully, the brochure will alert women to the danger signals, educate them about the differences between social drinking and alcohol abuse, and ease their reluctance to seek help.

It also outlines physiological reasons for their reactions to alcohol. Specifically, even when body weights are identical, women become intoxicated faster than men since they have more body fat and less body fluid. Therefore, alcohol remains in the blood stream longer where it can circulate to the brain and affect behavior.

In addition, women react strongly to alcohol before their menstrual cycle, and take longer to recover from the effects of alcohol when they are taking medications containing estrogen. □

Beverage Business Indicators*

Selected Consumer Price Index (base: 1967 = 100)

	September 1983	October 1983	% Change	October 1982	Oct. '82 vs. Oct. '83 % Change
Cola	312.7	317.2	1.4	308.9	2.7
Other carbonated soft drinks	147.6	150.8	2.2	144.6	4.3
Noncarbonated drinks	141.0	141.9	.64	139.1	2 0
Wine	235.7	237.1	.59	236.4	.30
Beer and ale	225.4	226.1	.31	212.7	6.3

The Consumer Price Index (CPI) is a measure of the average changes in prices over time in a fixed "market basket" of goods and services. The index measures price changes from a designated reference date which equals 100 (usually 1967). An increase of 22 percent, for example, is shown as 122. This change can also be expressed in dollars as follows: The price of a base period "market basket" of goods and services in the CPI has risen from $10 in 1967 to $12.20.

Source: U.S. Department of Labor Bureau of Labor Statistics

Closures for Beverages (thousands of gross)

	June 1983	July 1983	% Change	July 1982	July '82 vs. July '83 % Change
Metal (for spirits, wines)*	78,598	59,094	(24.8)	48,786	21.1
Plastic (for spirits, wines)*	148,871	88,241	(40.7)	105,676	(16.5)
Metal Crowns (beer & soft drinks)	14,756	14,525	(1.6)	22,343	(35.0)
Soft drink (convenience and conventional)	6,089	6,071	(13.1)	8,526	(28.8)
Beer (convenience and conventional)	7,767	8,454	8.8	13,817	(38.8)
All other metal closures other than crowns	8,896	8,290	6.8	6,261	32.4

*thousands of units

Source: U.S. Department of Commerce Bureau of the Census

Bottle Shipments (thousands of gross) (not seasonally adjusted)

	June 1983	July 1983	% Change	July 1982	July '82 vs. July '83 % Change
Glass Bottle Production					
Total Bottles:	26,807	25,732	(4.0)	25,165	2.3
Beverage: Refillable	340	212	(37.6)	244	(13.1)
Nonrefillable	5,991	5,667	(5.4)	5,488	3.3
Beer: Refillable	175	104	(40.6)	91	14.3
Nonrefillable	9,183	9,298	1.3	8,570	8.9
Liquor	1,150	1,361	18.3	906	36.6
Wine	855	708	17.2	621	14.0
Plastic Bottle Production*					
Carbonated beverages	237,579	179,620	(24.4)	264,063	(32)

*thousands of units
Source: U.S. Department of Commerce Bureau of the Census

Selected Producer Price Index (base: 1967 = 100)

	September 1983	October 1983	% Change	October 1982	Oct. '82 vs. Oct. '83 % Change
Soft drinks	327.1	329.0	.58	321.5	2.3
Alcoholic beverages	206.7	206.0	(.34)	199.1	3.5
Beverages and beverage materials	264.5	265.1	.23	257.9	2.8
Packaged beverage materials	324.7	324.5	.06	319.4	1.6

The Producer Price Index (PPI) is a measure of the average changes in prices received in primary markets of the United States by producers of commodities in all stages of processing. These data were formerly called the Wholesale Price Index. The name was changed to more accurately reflect the coverage of the data. PPI's are designed to be interpreted in the same manner as the CPI.

Source: U.S. Department of Labor Bureau of Labor Statistics

Imported Beverages (proof gals)

	August 1983	September 1983	% Change	September 1982	Sept. '82 vs. Sept. '83 % Change
Beer*	18,069,334	18,928,432	4.8	NA	–
Whiskey	7,412,365	4,769,813	(35.7)	NA	–
Brandy	325,018	417,284	28.4	NA	–
Gin	482,895	399,812	(17.2)	NA	–
Rum	122,807	140,145	14.1	NA	–
Cordials & liqueurs	522,621	859,637	64.5	NA	–
Others	928,440	757,199	18.4	NA	–
Total	27,863,480	26,272,322	(5.7)	NA	–
Sparkling wines	694,264	844,918	21.7	NA	–
Still wines, table	8,886,257	9,030,295	1.6	NA	–
Still wines, fortified	156,639	202,851	29.5	NA	–
Vermouth	182,066	184,009	1.1	NA	–

*Includes ale, stout, porter
NA: Not Available
Source: National Association of Beverage Importers, Inc.

Sweeteners (cents per pound)

	October 1983	November 1983	% Change	November 1982	Nov. '82 vs. Nov. '83 % Change
42% Corn Syrup High Fructose Decatur, IL, tank cars, cwt.	12.09	12.09	0	NA	–
55% Corn Syrup High Fructose Decatur, IL, tank cars, cwt.	14.25	14.25	0	14.25	0
Sugar, liquid ind. No. 2 per cwt. solids, F.O.B. (N.E. refinery)	32.20	32.20	0	32.20	0

NA: Not Available
Source: The Journal of Commerce

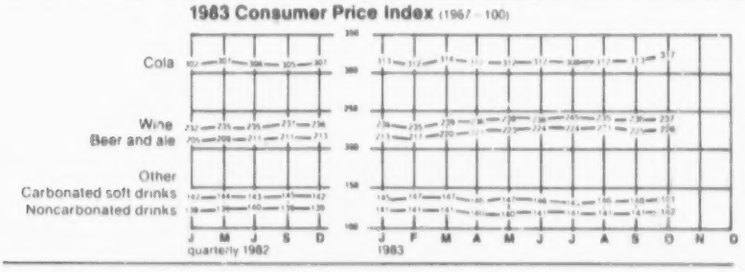
Alcoholic Beverage Removals (barrels of 31 gals)

	July 1983	August 1983	% Change	August 1982	Aug. '82 vs. Aug. '83 % Change
Beer	17,103,625	17,609,897	3.0	16,482,846	6.8
Wine*	29,652,854	30,865,267	4.1	31,818,950	3.0
Spirits*	24,693,465	30,251,855	22.5	26,490,451	14.2

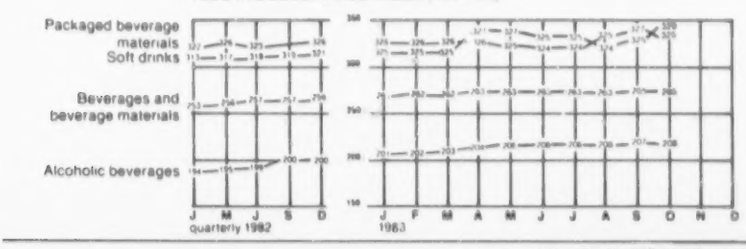
*wine gals

Source: U.S. Department of the Treasury Bureau of Alcohol, Tobacco and Firearms

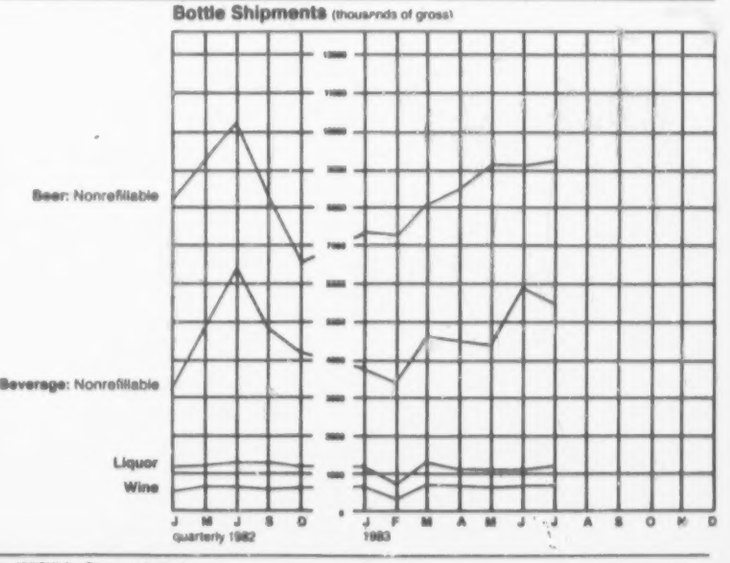
1983 Consumer Price Index (1967 = 100)



1983 Producer Price Index (1967 = 100)



Bottle Shipments (thousands of gross)



* Compiled by Statistical Research Center (SRCH) for Beverage Industry

Speed, simplicity key for coders, labelers, imprinters

(Continued from page 11)

Twenty-one percent to 30% of NR, 10%-20% of refillables and 31% to 40% of PET are estimated to be shipped pre-labeled to beverage producers and distributors, according to Pirzer Inc. representatives.

Officials from B&H Manufacturing of Ceres, CA, report that their BH-200/2100 labeling systems can use film or polystyrene labels and offers couponing capabilities. Company spokesmen say that customers are looking for units with speeds that are equal to filler speeds while trends appear to be towards generic soft drink and beer bottles.

Customers are looking for more simplistic labeling systems, the survey shows.

They also perceive that 91%-100% of both soft drink makers and brewers have more than two labeling units on line.

• For more information on coders: **Bell Mark Corp.**, circle no. 245; on **Control Print Div.**, circle no. 246; on **M.E. Cunningham Co.**, circle no. 247; on **Dalemark Industries Inc.**, circle no. 248; on **Dennison Mfg. Co.**, circle no. 249; on **Diagraph-Bradley Ind.**, circle no. 250; on **Adolph Gottscho Inc.**, circle no. 251; on **H-C Industries**, circle no. 252; **Kiwi Coders Corp.**, circle no. 253; **Lasermark Div.**, circle no. 254; on **Markem Corp.**, circle no. 255; on **Marsh Stencil Machine Co.**, circle no. 256; **Matthews Int. Corp.**, circle no. 257; on **3M**, circle no. 258; on **Videojet Systems International**, circle no. 259; on **Weber Marking Systems**; circle no. 260.

• For more information on labelers/imprinters: **American Fuji Seal Inc.**, circle no. 261; on **American Production Machine Co.**, circle no. 262; on **Anker Labelers**, circle no. 263; on **Associated Pkg. Equip. Corp. Ltd.**, circle no. 264; on **Automated Pkg. Systems Inc.**, circle no. 265; on **B & H Mfg.**, circle no. 266; **P.T. Bachmann & Son Inc.**, circle no. 267; **Dennison Mfg. Co.**, circle no. 268; on **Jagenberg Inc.**, circle no. 269; **Krones Inc.**, circle no. 270; on **Label-Aire Inc.**, circle no. 271; on **Labeljet Div.**, circle no. 272; on **Mateer-Burt Co.**, circle no. 273; on **George J. Meyer Mfg. Co.**, circle no. 274; on **New Jersey Machine Inc.**, circle no. 275; **Pirzer Inc.**, circle no. 276; on **Rutherford Machinery Div.**, circle no. 277; on **Stackpole Machinery Co.**, circle no. 278. □

BI Report

(Continued from page 1)

what appears to be a tavern. When one mocks the other for drinking A&W instead of a "brew" he is promptly flattened. Also new this year: a "float" commercial with ice cream.

• Canada Dry, soon to be separated from Dr Pepper if the Forstmann Little leveraged buyout is approved, announces 10% sales increase moving from 2.3% to 2.4% of total industry. A critical factor in the firm's success was its competitive stance in each of Seagram's mixers' intro markets.

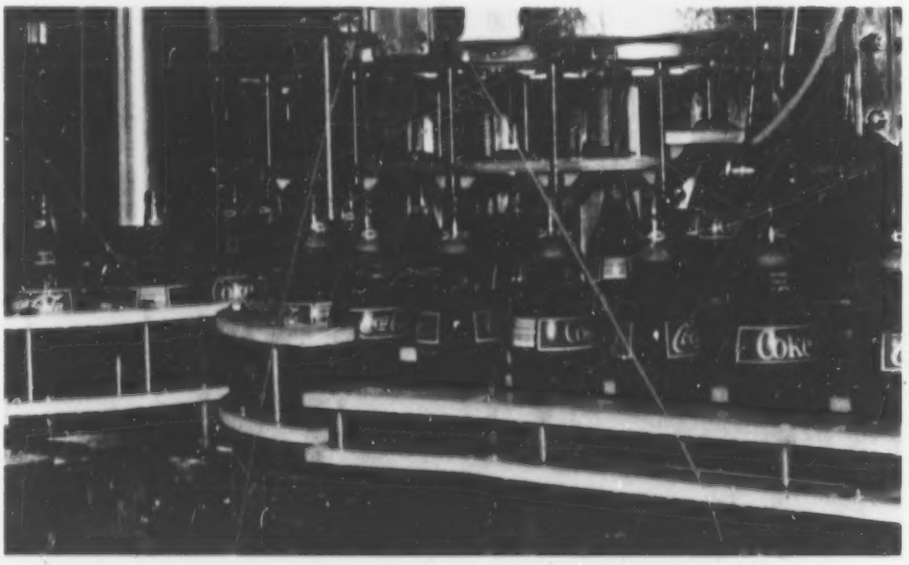
• Universal Foods announces it is selling its Mid-Continent soft drink operations to Seven-Up Co. for cash and for Warner Jenkinson. Involved are some seven plants/franchises: Cedar Rapids and Des Moines, IA; Flint, MI; Kansas City and St. Louis, MO; Omaha, NE; and Salt Lake City, UT. An additional nine warehouses/distribution centers will also be involved in the transaction. The deal will effectively double Seven-Up's company-owned holdings. It currently owns 10 production plants and some seven distribution centers. It will also pick up franchise rights to Dr Pepper, Dad's, Sunkist, Schweppes, A&W, Canada Dry, Squirt, Ma's Old Fashioned, Lipton, and Big Red in all or parts of the affected territories.

• Mark your calendar. Society of Soft Drink Technologists meeting, April 1-4, Hyatt Regency, Phoenix, AZ. Among subject to be covered: aspartame, energy costs, aseptic packaging, computerized syrup rooms, fortified beverages, manual bottle sorting. More info: Harry Korab, NSDA, 202-463-6756 .

• People on the move: John Lockwood moves up to director of franchises at Royal Crown Cola ... Chuck Jarvie emerges as new president of Schenley Industries. He and Chairman Howard S. Feldman will make up a new "office of the chairman" ... John Carson has been promoted to vp-marketing/sales at Schweppes. Ken Walsh moves up to director-field sales .

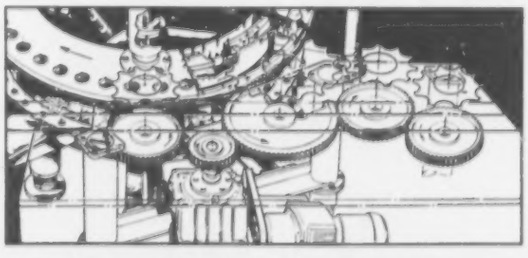
The Vickers Miller Hydro Silverstream Beverage Filler:

At Last-The Simplicity And Reliability Of A Gear-To-Gear Drive In A Beverage Filler.



Unique in the industry, the Vickers Miller Hydro gear-to-gear drive system minimizes the broken bottles, machine damage, and product flow stoppages associated with the timing imperfections common to belt drive and other inferior systems.

Each rotary motion in the Silverstream filler is driven by a positively meshed gear on the same plane as the main drive pinion.



The Vickers Miller Hydro drive system ensures the smooth bottle handling critical to efficient carbonated beverage filling and contributes in turn to the filler's established ability to fill at temperatures up to 55°F and beyond.

The simplicity of the system makes light of regular operation and maintenance chores.

Silverstream fillers are available to handle your range of bottle sizes at speeds to match most any requirement. The sensible engineering incorporated in the drive system is carried throughout the machine.

Contact Vickers Miller Hydro today to find out all the ways the Silverstream filler will ensure maximum efficiencies in your bottling line.

Vickers Miller Hydro

P.O. Box 767/Bainbridge, GA 31717/Phone 912 246-2244
Telex 547621/Cable MILLHYDRO

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